

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.

Debtors.

Chapter 11

Case No. 01-01139 (JKF)

(Jointly Administered)

Objection Deadline: September 12, 2008 at 4:00 p.m.

Hearing: September 29, 2008 at 1:00 p.m.

**NOTICE OF FILING OF
SIXTEENTH QUARTERLY INTERIM FEE APPLICATION OF
DAVID T. AUSTERN, FUTURE CLAIMANTS' REPRESENTATIVE, FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD JANUARY 1, 2008 THROUGH MARCH 31, 2008**

TO: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; (7) Counsel to the Debtors-in-Possession Lender; and (8) the Fee Auditor

David T. Austern, Future Claimants' Representative (the "FCR"), has filed and served his Sixteenth Quarterly Interim Fee Application for Compensation and Reimbursement of Expenses Incurred for the Period January 1, 2008 through March 31, 2008 seeking payment in the amount of \$29,300.00 for fees and expenses in the amount of \$3,527.13 for a total of \$32,827.13 (the "Application").

This Application is submitted pursuant to the Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement for Expenses for Professionals and Official Committee Members signed April 17, 2002, amending the Court's Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Allowance and Payment of Monthly Interim Compensation and Reimbursement of Expenses of Professionals, entered May 3, 2001 (collectively, the Administrative Order").

Objections or responses to the Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, Fifth Floor, Wilmington, DE 19801, on or before **September 12, 2008 at 4:00 p.m., Eastern Time.**

At the same time you must also serve a copy of the objections or responses, if any, upon the following: (i) co-counsel to David T. Austern, FCR, Roger Frankel, Esquire and Richard H. Wyron, Esquire, Orrick, Herrington & Sutcliffe LLP, 1152 15th Street, NW, Washington, DC 20005 and John C. Phillips, Esquire, Phillips, Goldman & Spence, P.A., 1200 North Broom Street, Wilmington, DE 19806; (ii) co-counsel for the Debtors, David M. Bernick, Esquire, Kirkland & Ellis LLP, 200 East Randolph Drive, Chicago, IL 60601 and Laura Davis Jones, Esquire, Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705; (iii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, NY 10038-4982 and Michael R. Lastowski, Esquire, Duane Morris, LLP, 1100 N. Market Street, Suite 1200, Wilmington, DE 19801-1246; (iv) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, FL 33131 and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, DE 19899; (v) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin &

Drysdale, 399 Park Avenue, 36th Floor, New York, NY 10022 and Mark Hurford, Esquire, Campbell & Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, DE 19801; (vi) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins, Sears Tower, Suite 5800, Chicago, IL 60606 and Neil B. Glassman, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, DE 19899; (vii) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, NY 10022; (viii) the Office of the United States Trustee, ATTN: David M. Klauder, Esquire, 844 N. King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801; and (ix) the Fee Auditor, Warren H. Smith, Warren H. Smith and Associates, Republic Center, 325 N. St. Paul, Suite 4080, Dallas, TX 75201.

Any questions regarding this Notice or attachments may be directed to undersigned counsel.

ORRICK, HERRINGTON & SUTCLIFFE LLP

By: /S/ DEBRA L. FELDER

Roger Frankel, admitted *pro hac vice*
Richard H. Wyron, admitted *pro hac vice*
Debra L. Felder, admitted *pro hac vice*
1152 15th Street, NW
Washington, DC 20005
(202) 339-8400

—and—

PHILLIPS, GOLDMAN & SPENCE, P.A.
John C. Phillips, Jr. (#110)
1200 North Broom Street
Wilmington, DE 19806
(302) 655-4200

Co-Counsel to David T. Austern,
Future Claimants' Representative

Dated: August 4, 2008

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.

Debtors.

Chapter 11

Case No. 01-01139 (JKF)

(Jointly Administered)

Objection Deadline: September 12, 2008 at 4:00 p.m.

Hearing: September 29, 2008 at 1:00 p.m.

**COVER SHEET TO SIXTEENTH QUARTERLY INTERIM FEE APPLICATION
OF DAVID T. AUSTERN, FUTURE CLAIMANTS REPRESENTATIVE, FOR
COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD JANUARY 1, 2008 THROUGH MARCH 31, 2008**

SUMMARY SHEET

Name of Applicant:	David T. Austern, Future Claimants Representative (the "FCR")		
Authorized to Provide Professional Services to:	Not Applicable		
Date of Retention:	As of May 24, 2004 (pursuant to this Court's Order entered September 27, 2004)		
Period for which Compensation and Reimbursement is sought:	January 1, 2008 – March 31, 2008		
Amount of Compensation sought as Actual Reasonable and Necessary:	\$29,300.00		
Amount of Expense Reimbursement sought as Actual, Reasonable and Necessary:	\$ 3,527.13		
This is a	____ monthly	<u> x </u> interim	____ final application

PRIOR APPLICATIONS FILED

The FCR was retained effective as of May 24, 2004, pursuant to this Court's Order entered September 27, 2004. The FCR has filed the following fee applications during this Sixteenth Quarterly time period: Thirty-Ninth Monthly Fee Application for the period January 1-31, 2008 in the amount of \$6,080.00 (80% of \$7,600.00) in fees and expenses in the amount of \$349.50; Fortieth Monthly Fee Application for the period February-128, 2008 in the amount of \$8,560.00 (80% of \$10,700.00) in fees and \$782.59 in expenses; and Forty-First Monthly Fee Application for the period March 1-31, 2008 in the amount of \$8,800.00 (\$11,000.00) in fees and \$2,395.04 in expenses.

**COMPENSATION DURING THE TIME PERIOD
JANUARY 1, 2008 – MARCH 31, 2008**

<u>Name of Professional Person</u>	<u>Position of Applicant, No. of Years in Position, Prior Relevant Experience, Yr. Obtained License to Practice, Area of Expertise</u>	<u>Hourly Billing Rate (including changes)</u>	<u>Total Billed Hours</u>	<u>Total Compensation</u>
David T. Austern	Future Claimants Representative	\$500.00	58.60	\$29,300.00
Total				\$29,300.00

Total Fees: \$ 29,300.00
Total Hours: 58.60
Blended Rate: \$ 500.00

COMPENSATION BY PROJECT CATEGORY

<u>Project Category</u>	<u>Total Hours</u>	<u>Total Fees</u>
Litigation	50.20	\$25,100.00
Non-Working Travel (billed at half)	8.40	\$4,200.00 ¹
TOTAL	58.60	\$29,300.00

¹ This amount reflects a reduction of \$4,200.00 representing a 50% discount of hourly rates for non-working travel.

**EXPENSE SUMMARY FOR THE TIME PERIOD
JANUARY 1, 2008 – MARCH 31, 2008**

<u>Expense Category</u>	<u>Total</u>
Airfare Travel	\$2,210.50
Hotel	\$974.63
Parking	\$34.00
Taxi	\$308.00
TOTAL	\$3,527.13

Respectfully submitted,

/S/ DAVID T. AUSTERN

David T. Austern, Future Claimants' Representative
Claims Resolution Management Corporation
3110 Fairview Park Drive, Suite 200
Falls Church, VA 22042-0683
(703) 205-0835

Dated: July 16, 2008

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

W.R. GRACE & CO., et al.

Debtors.

Chapter 11

Case No. 01-01139 (JKF)

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**SIXTEENTH QUARTERLY INTERIM FEE APPLICATION OF
DAVID T. AUSTERN, FUTURE CLAIMANTS REPRESENTATIVE,
FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD OF JANUARY 1, 2008 THROUGH MARCH 31, 2008**

Pursuant to 11 U.S.C. §§ 330 and 331 of title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Code”), and this Court’s Amended Administrative Order Under 11 U.S.C. §§ 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, signed April 17, 2002, amending the Court’s Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Allowance and Payment of Monthly Interim Compensation and Reimbursement of Expenses of Professionals, entered May 3, 2001 (collectively, the “Administrative Order”), David T. Austern, the Future Claimants Representative (“FCR”), hereby submits this sixteenth quarterly interim application (the “Sixteenth Quarterly Interim Application”) for an allowance of (i) compensation for professional services rendered to W.R. Grace & Co. and its affiliates (collectively, the “Debtors”) for the period of January 1, 2008 through March 31, 2008 through December 31, 2007 (the

“Interim Period”), and (ii) the reimbursement of expenses incurred during the same period.

By this Sixteenth Quarterly Fee Application the FCR seeks the interim allowance of compensation in the amount of \$29,300.00 and reimbursement of actual and necessary expenses in the amount of \$3,527.13 for a total of \$32,827.13, or 100% of all compensation and expense reimbursement requested, for the period January 1, 2008 through March 31, 2008. In support of this Sixteenth Quarterly Interim Application, the FCR respectfully represents as follows:

Jurisdiction

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334.

Background

2. On April 2, 2001 (the “Petition Date”), the Debtors filed a voluntary petition for relief under chapter 11 of the United States Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

3. By an Order entered September 27, 2004, the Court appointed the FCR for the above captioned cases effective as of May 24, 2004.

Monthly Fee Applications Covered Herein

4. The FCR filed his Thirty-Ninth Monthly Application for Compensation for Services Rendered and Reimbursement of Expenses for the Period January 1-31, 2008 (the “Thirty-Ninth Monthly”) on April 7, 2008 requesting \$6,080.00 (80% of \$7,600.00) in fees and expenses in the amount of \$349.50 [Docket No. 18457]. The deadline to file

objections expired on April 28, 2008, no objections were filed and the FCR filed a Certificate of No Objection on May 6, 2008 [Docket No. 18671]. The Thirty-Ninth Monthly is attached hereto as Exhibit A and incorporated herein by reference.

5. The FCR filed his Fortieth Monthly Application for Compensation for Services Rendered and Reimbursement of Expenses for the Period February 1-29, 2008 (the "Fortieth Monthly") on April 7, 2008 requesting \$8,560.00 (80% of \$10,700.00) in fees and \$782.59 in expenses [Docket No. 18458]. The deadline to file objections expired on April 28, 2008, no objections were filed and the FCR filed a Certificate of No Objection on May 15, 2008 [Docket No. 18712]. The Fortieth Monthly is attached hereto as Exhibit B and incorporated herein by reference.

6. The FCR filed his Forty-First Monthly Application for Compensation for Services Rendered and Reimbursement of Expenses for the Period March 1-31, 2008 (the "Forty-First Monthly") on July 3, 2008 requesting \$8,800.00 (80% of \$11,000.00) in fees and \$2,395.04 in expenses [Docket No. 19047]. The deadline to file objections expires on July 23, 2008, and if no objections are filed, the FCR will promptly file a Certificate of No Objection. The Forty-First Monthly is attached hereto as Exhibit B and incorporated herein by reference.

7. The Thirty-Ninth, Fortieth, and Forty-First Monthly Fee Applications covered by this Sixteenth Quarterly Fee Application contain detailed daily time logs describing the actual and necessary services provided by the FCR during the Interim Period as well as other detailed information to be included in fee applications.

Requested Relief

8. By this Sixteenth Quarterly Application, the FCR requests that the Court approve the interim allowance of compensation for professionals services rendered and the reimbursement of actual and necessary expenses incurred by the FCR from January 1, 2008 through March 31, 2008. As stated above, the full scope of the services provided and the related expenses incurred are fully described in the Thirty-Ninth, Fortieth and Forty-First Monthly fee applications attached hereto as Exhibit A (January), Exhibit B (February), and Exhibit C (March).

9. At all relevant times, the FCR has been a disinterested person as that term is defined in section 101(14) of the Bankruptcy Code and has not represented or held an interest adverse to the interest of future asbestos claimants.

10. All services for which compensation is requested by the FCR were performed in his capacity as FCR and not on behalf of any Debtor, committee, creditor, or other person.

11. Other than the Debtors' obligation to pay fees and expenses allowed by this Court, the FCR has received no payment and no promise for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with the Debtors' cases. There is no agreement or understanding between the FCR and any other person for the sharing of compensation to be received for services rendered in these cases.

WHEREFORE, the FCR respectfully requests that the Court enter an order, substantially in the form attached hereto, providing that, for the period January 1, 2008 through March 31, 2008, an allowance be made to the FCR in the sum of \$29,300.00 as compensation for reasonable and necessary professional services rendered and expenses in the amount of \$3,527.13 for a total of \$32,827.13, that the Debtors be authorized and directed to pay to FCR the outstanding amount of such sums, and for such other and further relief as this Court may deem just and proper.

Respectfully submitted,

/S/ DAVID T. AUSTERN

David T. Austern, Future Claimants Representative
Claims Resolution Management Corporation
3110 Fairview Park Drive, Suite 200
Falls Church, VA 22042-0683
(703) 205-0835

Dated: July 16, 2008

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VERIFICATION

STATE OF VIRGINIA, TO WIT:

David T. Austern, after being duly sworn according to law, deposes and says:

1. I am the Future Claimants Representative appointed by the Court in these cases.
2. I have reviewed the Sixteenth Quarterly Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. I have reviewed the requirements of Local Rule 2016-2 and the Administrative Order as Amended dated April 17, 2002, and I believe the Application to be in compliance therewith.

/S/ DAVID T. AUSTERN
DAVID T. AUSTERN

SWORN AND SUBSCRIBED TO BEFORE ME

THIS 16TH day of JULY, 2008

/S/ DOROTHY GRANT
Notary Public

My commission expires: 3-19-2009

CERTIFICATE OF SERVICE

I, DEBRA O. FULLEM, do hereby certify that I am over the age of 18, and that on August 4, 2008, I caused the *Notice, Cover Sheet, Sixteenth Quarterly Interim Application of David T. Austern, Future Claimants' Representative for Compensation for Services Rendered and Reimbursement of Expenses for the Time Period January 1, 2008 through March 31, 2008, Verification, and Exhibits A-C*, to be served upon those persons as shown below and a copy of the *Notice and Cover Sheet* to served by first class mail, postage prepaid, to all parties as shown on the attached Service List.

<i>Federal Express</i> Laura Davis Jones, Esquire James O'Neil, Esquire Pachulski, Stang, Ziehl, Young & Jones P.C. 919 North Market Street, 16th Floor Wilmington, DE 19899-8705	<i>Regular Mail</i> Vito I. DiMaio Parcels, Inc. 10th & King Streets P.O. Box 27 Wilmington, DE 19899
<i>Federal Express</i> David M. Klauder, Esquire Office of the United States Trustee 844 King Street, Suite 2207, Lockbox 35 Wilmington, DE 19801	<i>Federal Express and Email:</i> feeaudit@whsmithlaw.com and bruhlander@whsmithlaw.com Bobbi Ruhlander Warren H. Smith & Associates Republic Center 325 N. St. Paul, Suite 1275 Dallas, TX 75201
<i>Federal Express and E-mail:</i> william.sparks@grace.com (W.R. Grace & Co.) David B. Siegel W.R. Grace and Co. 7500 Grace Drive Columbia, MD 21044	<i>E-mail: nglassmanr@bayardfirm.com</i> (Local Counsel to DIP Lender) Neil B. Glassman, Esquire The Bayard Firm
<i>E-mail: meskin@camlev.com</i> (Local Counsel to Asbestos Claimants) Marla Eskin, Esquire Campbell & Levine, LLC	<i>E-mail: ttacconelli@ferryjoseph.com</i> (Counsel for Property Damage Claimants) Theodore Tacconelli, Esquire Ferry & Joseph, P.A.
<i>E-mail: mlastowski@duanemorris.com</i> (Counsel to Official Committee of Unsecured Creditors) Michael R. Lastowski, Esquire Duane, Morris & Heckscher LLP	<i>E-mail: currier@klettrooney.com</i> (Counsel for Official Committee of Equity Holders) Teresa K.D. Currier, Esquire Klett Rooney Lieber & Schorling

<i>E-mail: elawler@stroock.com</i> (Official Committee of Unsecured Creditors) Lewis Kruger, Esquire Stroock & Stroock & Lavan LLP	<i>E-mail: pvnl@capdale.com</i> (Official Committee of Personal Injury Claimants) Elihu Inselbuch, Esquire Caplin & Drysdale, Chartered
<i>E-mail: jbaer@kirkland.com</i> (Counsel to Debtor)James H.M. Sprayregen, P.C. Janet S. Baer, Esquire Kirkland & Ellis	<i>E-mail: jsakalo@bilzin.com</i> (Official Committee of Property Damage Claimants) Scott L. Baena, Esquire Bilzin Sumberg Dunn Baena Price & Axelrod LLP
<i>E-mail: david.heller@lw.com and carol.hennessey@lw.com</i> (Counsel to DIP Lender) J. Douglas Bacon, Esquire Latham & Watkins	<i>E-mail: pbentley@kramerlevin.com</i> (Counsel to Official Committee of Equity Holders) Philip Bentley, Esquire Kramer Levin Naftalis & Frankel LLP

/S/ DEBRA O. FULLEM

Debra O. Fullem

Orrick, Herrington & Sutcliffe LLP